

BEFORE THE
POSTAL REGULATORY COMMISSION
ARKANSAS, D.C. 20268-0001

In the Matter of:

Boles Post Office
Boles, Arkansas 72926

Docket No. A2012-37

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 21, 2011)

On October 27, 2011, the Postal Regulatory Commission ("Commission") received an appeal postmarked October 17, 2011, from postal customer Carlene Stovall ("Petitioner Stovall") objecting to the discontinuance of the Post Office at Boles, Arkansas. On November 2, 2011, the Commission issued a Notice of Filing under 39 U.S.C. § 404(d). On November 2, 2011, the Commission issued Order No. 943, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 943, the Postal Service filed the administrative record with the Commission on November 14, 2011.¹ Thereafter, not only Petitioner Stovall, but also several other postal customers filed submissions in this docket. Petitioners Bennie Angel, Teresa and John Klir, and Carlene Stovall filed Participant Statements on November 28, 2011. Petitioners Needa and Bob Mays filed a Notice of Intervention on November 30, 2011. Petitioners Linda Rogers, Mack Rose, and Jim and Birdie Stauffer filed Participant Statements on December 1, 2011.

Petitioners Anna House, Patt Biggs, Geraldeane Biggs and Anthony Venable filed

¹ United States Postal Service Notice of Filing, PRC Docket No. A2012-37, November 14, 2011. In addition, the Postal Service filed an addendum to the administrative record in United States Postal Service Notice of Filing, PRC Docket No. A2012-37, December 16, 2011. Also, on December 21, 2011, the Postal Service filed a Notice of Filing of Supplement to the Administrative Record, PRC Docket No. 2012-37.

Participant Statements on December 2, 2011. Petitioners Ronnie and Lynda Langley filed a Participant Statement on December 7, 2011. The following is the Postal Service's answering brief in support of its decision to discontinue the Boles Post Office.

Petitioner Stovall's initial letter of appeal and Participant Statement, as well as the other submissions, raise three main issues: (1) the effect on postal services, (2) the impact upon the Boles community, and (3) the economic savings expected to result from discontinuing the Boles Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Additionally, consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact on employees. Accordingly, the determination to discontinue the Boles Post Office should be affirmed.

Background

The Final Determination to Close the Boles, AR Post Office and Continue to Provide Service by Highway Contract Route Service (FD),³ as well as the administrative record, indicate that the Boles Post Office provides EAS-11 level service to 52 Post Office Box or general delivery customers, and 233 delivery customers. The office is open for 42 hours per week.⁴ The Postmaster of the Boles Post Office retired on May 1, 2009. A noncareer postmaster relief (PMR) was installed as the Officer-in-Charge ("OIC") of the Boles Post Office. Upon implementation of the Final Determination, the

² See 39 U.S.C. 404(d)(2)(A).

³ In these comments, "FD" refers to Item No. 47 in the administrative record and specific items in the administrative record, other than the FD, are referred to as "Item ____."

⁴ FD at 2; Item No. 42, (Form 4920) Revised Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1

noncareer PMR may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility. The average number of daily retail window transactions at the Boles Post Office is 8. Revenue is low \$12,650.00 in FY 2008 (33 revenue units); \$11,508.00 in FY 2009 (30 revenue units); and \$13,351.00 in FY 2010 (35 revenue units).⁵ The Boles Post Office has no permit mailer or postage meter customers.⁶ Upon implementation of the final determination, delivery and retail services will be provided by highway contract route delivery under the administrative responsibility of the Waldron Post Office, an EAS-18 level office located approximately 10 miles away, which has 758 available P.O. Boxes.⁷ Delivery and retail service may be available from a rural or contract delivery carrier.⁸

The Postal Service followed the proper procedures which led to the posting of the FD.⁹ All issues raised by the customers of the Boles Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to P.O. Box customers of the Boles Post Office. Questionnaires were also available over the counter for retail customers at Boles.¹⁰ A letter from the Post Office Review Coordinator, Arkansas

⁵ FD at 2; Item No. 33, Proposal to Close the Boles, AR Post Office and Continue to Provide Service by Highway Contract Route Service ("Proposal"), at 2; Item No. 41, Proposal to Close the Suspended Boles, AR Post Office and Continue to Provide Service by Highway Contract Route Service (Revised) ("Revised Proposal"), at 2; Item No. 42, Revised Fact Sheet, at 1.

⁶ FD at 2; Proposal at 2; Revised Proposal, at 2; Item No. 42, Revised Fact Sheet, at 1.

⁷ The Waldron, Arkansas Post Office is not included in the list of candidate facilities in the RAO Initiative Candidate Facility Status Update, USPS Library Reference N2011-1/11. PRC Docket No. N2011-1, September 21, 2011.

⁸ FD at 2, 4, 6; Proposal, at 2-6; Revised Proposal, at 2-6.

⁹ The discontinuance of Boles Post Office was carried out in accordance with PO-101, Post Office Discontinuance Guide, August 2004, Updated with Postal Bulletin Revisions through August 2, 2007.

¹⁰ FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster

District, was also made available to postal customers. The letter advised customers that the Postal Service was evaluating whether the continued operation of the Boles Post Office was warranted, and that effective and regular service could be provided through highway contract route service and retail services available at the Waldron Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving highway contract route service delivery.¹¹ The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22.

Representatives from the Postal Service were available at the Boles Community Center for a community meeting on June 14, 2011, to answer questions and provide information to customers.¹² Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Boles Post Office and the Waldron Post Office from June 22, 2011 to August 23, 2011.¹³ The FD was posted at the same two Post Offices beginning on September 29, 2011, as confirmed by the round-dated FD cover sheets that appear in Item No. 49 of the administrative record.

In light of a postmaster vacancy, minimal workload, low volume, low revenue,¹⁴ the variety of delivery and retail options (including the convenience of highway contract

at Boles Post Office.

¹¹ Item No. 21, Letter to Customer, at 1.

¹² FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Proposal at 2; Revised Proposal at 2.

¹³ FD at 2; Item No. 36, Round-date stamped proposal and invitation from comments.

¹⁴ See note 5 and accompanying text.

route service delivery and retail service),¹⁵ no recent growth in the area,¹⁶ minimal impact upon the community, and the expected financial savings,¹⁷ the Postal Service issued the FD.¹⁸ Regular and effective postal services will continue to be provided to the Boles community in an effective manner upon implementation of the Final Determination.¹⁹

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Boles Post Office on postal services provided to Boles customers. The closing is premised upon providing regular and effective postal services to Boles customers.

The Petitioners raise the issue of whether the Postal Service can continue to provide effective and regular postal services to the Boles community. They note the convenience of the Boles Post Office and request its retention. Petitioners express particular concern about the possible need to travel to other nearby Post Offices for service, obtaining money orders and stamps, the impact on senior citizens, and the mailing of packages and accountable mail. Each of these concerns was considered by the Postal Service.

¹⁵ FD at 2-6; Proposal, at 2-6; Revised Proposal at 2-6.

¹⁶ Item No. 16, Community Survey Sheet.

¹⁷ FD at 5; Item No. 17, Highway Contract Route Cost Analysis; Item No. 29, Proposal Checklist, at 1-2; Proposal at 6; Revised Proposal at 6;

¹⁸ FD at 6.

¹⁹ FD at 2.

Petitioners Stovall, Klir, Rogers, and House express concern about the possible need to travel to other nearby Post Offices for service. Upon the implementation of the Final Determination, services provided at the Post Office, such as the sale of stamps, envelopes, postal cards, and money orders, will also be available from the carrier.²⁰ Customers opting for carrier service will not have to pay post office box fees.²¹ Carrier service also is beneficial to many senior citizens, citizens lacking transportation, and those who face special challenges because they do not have to travel to the Post Office for service.²² They have the option of meeting the carrier at the roadside mailbox or centralized box unit to transact business, although it is not always necessary to be present to conduct most retail transactions.²³

Petitioner Rogers expresses concern about obtaining money orders and stamps. Stamps by Mail and Money Order Application forms are available for customer convenience, and stamps are also available at many stores and gas stations, or by calling 1-800-STAMP-24.²⁴ Customers can also request special services, such as certified, registered, or Express Mail, delivery confirmation, signature confirmation, and COD from the carrier. Customers who desire such special services may obtain them from the carrier, who will estimate cost, provide a receipt, and bring change or a bill for the remaining amount the next delivery day. Alternatively, customers may leave a note with the appropriate payment and the carrier will leave a receipt the next day.²⁵

Petitioners Stovall, Angel, Klir, Mays, Rose, Biggs, and Venable express concern

²⁰ FD at 2-6; Item No. 21, Notice to Customers, at 2; Proposal at 2-6; Revised Proposal, at 2-6.

²¹ FD at 4; Proposal at 5; Revised Proposal at 5.

²² FD at 2-5; Proposal at 2-5; Revised Proposal, at 2-5.

²³ FD at 2-4 and 6; Proposal, at 2-5. Revised Proposal at 2-6.

²⁴ FD at 2-4 and 6; Item No. 33, Proposal, at 2-6; Revised Proposal, at 2-6.

²⁵ FD at 4; Proposal at 4; Revised Proposal at 4.

about senior citizens and those with disabilities who are unable to travel to the nearby Post Office to pick up their mail. The record explains, however, that carrier service is beneficial to many senior citizens and those who face special challenges because they do not have to travel to the Post Office for most services.²⁶ They have the option of meeting the carrier at the box to transact business, although it is not always necessary to be present to conduct most Postal Service transactions.²⁷ Special provisions are made for hardship cases or special customer needs. Customers may contact the postmaster at the Waldron Post Office for more information about requesting an exception for hardship delivery.²⁸

With respect to Petitioner Rose's concern about the mailing of packages and Petitioner Langley's concern about accountable mail, the Postal Service explained that with respect to retail services currently provided at the Boles Post Office, most services will be available from the carrier, so that customers will not have to travel to another post office for service.²⁹ In addition, the Postal Service advised the customers that many postal services are now available on-line or through Stamps by Mail.³⁰

Further, with respect to Petitioner Langley's concerns about packages too large to fit into mailboxes, the Postal Service explained that if the package does not fit into the mail box, the carrier will deliver the package up to ½ mile off the line of travel, at a designated place, such as on a customer's porch or under a carport.³¹

²⁶ FD at 2-6; Proposal at 2- 6; Revised Proposal at 2-6.

²⁷ FD at 2-3; Proposal at 2-6; Revised Proposal at 2-6.

²⁸ FD at 2-3; Proposal at 2-3; Revised Proposal at 2-3.

²⁹ FD at 2-3; Proposal at 2-3; Revised Proposal at 2-3.

³⁰ FD at 3-4; Proposal at 3-4; Revised Proposal at 3-4.

³¹ FD at 3; Proposal at 3; Revised Proposal at 3.

For carrier pickup of packages, customers can contact the Waldron Post Office and let the carrier know they have a package available for pickup. The carrier can deviate from the line of travel in order to accept packages. The carrier will accept letters, flats or packages up to 13 ounces for mailing. Packages over 13 ounces may be picked up if the postage was printed online or with a traceable meter. The carrier will estimate the cost, provide a receipt, and bring change or a bill for the remaining amount the next delivery day (or the customer may leave a note with the appropriate payment and the carrier will leave a receipt the next day).³²

Customers also express concern about mail security. The issue of mail security was raised during the feasibility study and addressed in the administrative record.³³ The Postal Service researched this risk and found that there have only been two reports of vandalism in the area.³⁴ Customers were advised that they can put a lock on their mailbox as long as the slot is large enough to accommodate their normal mail volume.³⁵

Thus, the Postal Service has properly concluded that all Boles customers will continue to receive regular and effective service via highway contract route services delivery to CBUs or roadside mailboxes installed on the carrier's line of travel.

Effect Upon the Boles Community

The Postal Service is obligated to consider the effect of its decision to close the Boles Post Office upon the Boles community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute

³² FD at 3; Proposal at 3; Revised Proposal at 3

³³ FD at 3 and 4; Proposal at 3 and 5.

³⁴ Item No. 14, Inspection Service/local law enforcement vandalism reports.

³⁵ FD at 3; Proposal at 3.

recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Boles is an unincorporated rural community located in Scott County. The community is administered politically by Scott County. Police protection is provided by the Scott County Sheriffs Department and fire protection is provided by the Boles Volunteer Fire Department.³⁶ The community is comprised of retirees, farmers, commuters, self-employed and those who commute to work at nearby communities and may work in local businesses. The questionnaires completed by Boles customers indicate that, in general, they may travel elsewhere for some supplies and services.³⁷

The Petitioners' letters raise the issue of the effect of the closing of the Boles Post Office upon the identity of the Boles community. This issue was considered by the Postal Service, as reflected in the administrative record.³⁸ The Postal Service recognizes that a community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of the Post Office name and ZIP Code in street addresses and in the National Five-Digit Zip Code and Post Office Directory.³⁹ Communities generally require regular and effective postal services and these will continue to be provided to the Boles community. In addition, the Postal Service has concluded that nonpostal services provided by the Boles Post Office can be provided by

³⁶ FD at 5; Proposal at 5; Revised Proposal at 5

³⁷ See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 1-184.

³⁸ FD at 2 and 5; Proposal, at 2 and 5; Revised Proposal at 2 and 5.

³⁹ FD at 5; Proposal, at 5; Revised Proposal at 5.

the Waldron Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies.⁴⁰

Petitioners also expressed a concern that the loss of the Post Office would have a detrimental effect on the business community.⁴¹ There is no indication that the Boles business community will be adversely affected. Businesses generally require regular and effective postal services and these will continue to be provided to the Boles business community. The questionnaires completed by Boles customers indicate that, in general, they will continue to use local businesses if the Boles Post Office is closed.⁴²

Petitioners Ronnie and Lynda Langley claim that growth projections within the state of Arkansas indicate that the western portion of the state, and particularly Scott County, are expected to experience moderate growth, due to major construction of the interstate highway, I-49.⁴³ However, county-wide averages are not necessarily indicative of trends in a particular small community. Additionally, the Petitioner has not presented community-specific data that contradict those in the Administrative Record.⁴⁴ Moreover, mention of highway, I-49, provides little concrete basis for assumptions that Boles' population or economic trends will reverse themselves in the short or long term.

Petitioners also contend that the Postal Service is stripping rural America of its Post Offices and that there is a disparate impact in rural America and in the Boles community. The Postal Service notes, however, that Post Offices are reviewed on a case-by-case basis. When there is a vacancy in a small office, it is customary to

⁴⁰ FD at 5; Proposal at 5; Revised Proposal at 5.

⁴¹ FD at 5; Proposal at 5; Revised Proposal at 5.

⁴² FD at 5; Proposal, at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 1-184.

⁴³ Ronnie and Lynda Langley's Petitioner Statement at 2-3.

⁴⁴ Item No. 16, Community Survey Sheet, at 2.

conduct a study of the business activity and investigate the feasibility of providing service by alternative means. This analysis is not limited to Post Offices. Retail units in urban areas are also considered for closure. In fact, the Postal Service is in the process of analyzing closing numerous retail facilities located in urban facilities. See PRC Docket No. N2011-1. In this case, it was determined that the Postal Service could continue to provide a maximum degree of effective and regular postal services to the community through cost effective means.⁴⁵

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Boles Post Office on the community served by the Boles Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that highway contract route delivery service would cost the Postal Service less than maintaining the Boles Post Office and would still provide regular and effective service.⁴⁶ The FD states that estimated annual savings associated with discontinuing the Boles Post Office are \$49,379.⁴⁷

⁴⁵ FD at 6.

⁴⁶ FD at 6; Proposal at 6; Revised Proposal at 6.

⁴⁷ Petitioner Carlene Stovall states that the FD should reflect an annual lease cost of \$4,200. As reflected in Item No. 52, Memo to the Record, 1-2, Item No. 17 should state the HCR replacement cost is \$5,032 and Item No. 42, Fact Sheet, should list the annual lease cost as \$4,620. Thus, the FD should reflect an annual HCR replacement cost of \$5,032, an annual lease cost of \$4,620, and a one time CBU installation cost of \$7,568, for a total annual savings of \$43,867. Regardless, the discontinuance of Boles Post Office results in a substantial annual savings.

⁴⁷ Item No. 21, Letter to Customer, at 1

Some of the Petitioners' submissions suggest strategies that might reduce cost at the Boles Post Office, such as consolidating the Boles and Parks Post Offices, purchasing the Boles Post Office building outright versus leasing it, and eliminating Saturday delivery. The Postal Service has broad experience with similar options. However, in this case, it has determined that carrier service, coupled with service at the nearby Waldron Post Office, is a more cost-effective solution than maintaining the Boles postal facility and career position. In so doing, the Postal Service is not required to evaluate and reject alternative proposals. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Petitioners Ronnie and Lynda Langley also contend that the Postal Service's savings estimates are incorrect because a career Postmaster salary was used in the calculation, in lieu of the lower income earned by the OIC. However, the economic savings calculation conducted as a part of a discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on those savings annually in the future. If the Boles Post Office closes, one career slot will be eliminated. Hence, it was appropriate to use a career Postmaster's salary in the calculation because the career position would have ultimately been filled if the Boles Post Office had not been identified as a candidate for discontinuance. Thus, the Postal Service will save the salary and benefits of a career Postmaster position.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies,

which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).⁴⁸ The Postal Service determined that highway contract route service is more cost-effective than maintaining the Boles postal facility and postmaster position.⁴⁹ The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The Postmaster retired on May 1, 2009. A PMR was assigned to the Boles Post Office. Upon implementation of the Final Determination, the noncareer PMR may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility.⁵⁰ The record shows that no career employees would be adversely affected by this closing.⁵¹

Therefore, in making the determination, the Postal Service considered the effect of the closing on the career employees at the Boles Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Boles Post Office on the provision of postal services and on the Boles community, as well as

⁴⁸ FD at 5; Proposal at 5; Revised Proposal at 5.

⁴⁹ FD at 2 and 6; Proposal at 2 and 6; Revised Proposal at 2.

⁵⁰ FD at 2 and 5.

⁵¹ FD, at 2 and 5; Item No. 15, Post Office Survey Sheet, at 1; Proposal, at 2 and 5.

the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Boles customers.⁵² The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Boles Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Boles Post Office be affirmed.

Respectfully submitted,

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December 21, 2011

⁵² FD at 6.